

# ENGER PARK GOLF COURSE RENOVATION PLAN



DULUTH, MINNESOTA  
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# BACKGROUND

Enger Park Golf Course is one of two City-owned public golf courses in Duluth and treats golfers to enjoyable experiences and views of Duluth Harbor. The original 18-hole course was built in 1927 near Enger Park and expanded to 27 holes in 1992. The course features three, distinct style layouts—parkland, links and traditional.

Ranging from 2,496 to 3,359 yards, per nine, the “Front 9,” “Middle 9,” and “Back 9” present golfers with distinct experiences as several holes run through densely wooded areas while others navigate around scenic ponds and strategic bunkers. Four sets of tees provide a challenge for golfers of all abilities.

Duluth’s City-owned public golf courses, Lester Park and Enger Park, have long struggled financially. In 2018, the City of Duluth and Duluth Golf Citizen Advisory Committee, assisted by industry experts, embarked on a comprehensive assessment of both Enger Park and Lester Park Golf Courses to advise how to save the City’s financially struggling golf program. The primary goal was to find options that provided quality, reasonably affordable public golf in Duluth on a financially sustainable basis, including financing for debt payments and infrastructure renovation. This process involved conducting public opinion surveys, assessments of course infrastructure, a financial analysis, and exploring potential sources of financial support.

In 2019, the City Council approved the findings and recommendations of the Duluth Golf Citizen Advisory Committee, which indicated a combination of:

- 1) An oversupply of public golf holes in the Duluth area;
- 2) Poor course conditions resulting from failing golf infrastructure; and
- 3) Insufficient funds to pay for golf infrastructure at both courses.

Based on these findings, the City of Duluth was forced to make a difficult, but necessary, decision to downsize public golf by announcing the closure of Lester Park Golf Course and prioritizing renovation of Enger Park Golf Course. The City of Duluth determined that, in order to be able to continue providing any public golf, the City must continue the closure of Lester golf facilities through 2021 and 2022, temporarily close Enger golf facilities for renovations in 2023, reopen 18 at Lester one last time during renovations, then permanently close Lester and reopen the renovated Enger course in 2024.

Among the findings approved in 2019 was a comprehensive *Golf Course Architectural Assessment*, completed by Kevin Norby of Herfort Norby Golf Course Architects, which evaluated course conditions and ranked the highest priority items for future improvements. The assessment for Enger Park identified 27 potential improvements with 10 listed as “critical” in reducing repairs and on-going maintenance while increasing revenue; five listed as “competitive” to improving the overall conditions and playability; and eight listed as “comprehensive,” those items that do not need immediate attention but will at some point in the future.

In December 2020, in anticipation of upcoming Enger renovation planning and to provide City staff with recommendations on the direction of that planning process, the Parks and Recreation Commission’s Public Golf Committee moved to have the ten critical items at Enger Park Golf Course guide the renovation process. These ten critical items included:

- 1) Install new irrigation central control.
- 2) Excavate new irrigation pond w/ lining and grading of spoils.
- 3) Upgrade irrigation pump station w/ fill line, power & pump house.
- 4) Install new irrigation system (27-holes).
- 5) Remodel clubhouse (bathrooms, food service, plumbing, etc.).
- 6) Improve fairway drainage and re-grass Back Nine.
- 7) Improve fairway drainage and re-grass Middle Nine.
- 8) Renovate 11 fairway and greenside bunkers on Back Nine.
- 9) Renovate/remove 8 bunkers on Front and Middle Nine.
- 10) Construct new forward tees to improve playability.

## Renovation Project Initiation

In April 2021, with these ten critical items guiding the process, the Parks and Recreation Commission's Public Golf Committee undertook work in partnership with City staff to develop a proposal for renovation of Enger Park golf facilities. The intent being that such improvements will be financed entirely by golf revenues, co-investment by the City's selected golf management firm, golf asset sales, and donations. The largest contributor to renovation costs is anticipated to be City revenue bonding to be repaid by net golf income that is expected to improve to an extent following Enger renovation.

City staff and the Committee set out to develop and assess three Enger renovation options that could be paid for entirely by those funding sources. To ensure that each aspect of the project was well-informed, the City contracted with a team of consultants: Norby Golf Course Design Inc. for golf course architecture, design and renovation plans; Irrigation Technologies Inc. for the irrigation system, pump station, and irrigation pond; Architectural Resources Inc. for the clubhouse design and site layout; and Antares Golf LLC regarding golf course business and financial analysis.

Three general scenarios for course layout, in light of proposed land sale of the Enger driving range, were analyzed:

- 1) A 27-hole regulation course layout with a relocated driving range to the north side of Skyline Parkway.
- 2) An 18-hole regulation course with an additional short course and relocated driving range to the north side of Skyline Parkway.
- 3) Existing 27-hole regulation course layout and driving range in their current location.

Additional considerations for these three general scenarios originated from analysis of the impacts of the Lester Park Golf course closure, such as accommodating league play and special events.

Furthermore, the consultant team looked at two scenarios for the clubhouse:

- 1) A modular structure that can be easily expanded if necessary.



- 2) Conversion of the existing pavilion/garage building into clubhouse space.

## Proposed Lands Sales

In 2020, as a next step in applying the findings and recommendations approved by Duluth City Council to improve the financial sustainability of Duluth Golf, the City's Planning and Economic Development Department solicited RFPs for the sale and development of parcels of land at both Lester and Enger Golf Courses. While no qualifying responses were received for the Lester parcels, the City did receive a qualifying and leading proposal for the Enger parcels. Planning and Economic Development staff proceeded with a designation agreement to further explore potential housing development opportunities on the proposed 10-acre parcel of land that encompassed the Enger driving range. Those discussions proceeded and were in progress simultaneous to the Spring/Summer 2021 Enger Golf study and planning process outlined in this report. The City will continue to explore parcel sales at both courses as indicated in the *Proposed Changes to Ownership and Use of Public Greenspace* document approved by City Council in 2019.

# PLANNING PROCESS

## Project Initiation

- Hire Professional Consultant Team
- Project Kickoff
- Existing Conditions Review
- Previous Studies Review

## Public Engagement

- Parks and Recreation Commission's Public Golf Committee Meetings
- Public Engagement Sessions
- Online Survey
- Online Comment Form
- Public Open House at Enger

## Concept Plan

- Parks and Recreation Commission's Public Golf Committee Recommendation
- Parks and Recreation Commission Approval
- City Council Approval

# PUBLIC ENGAGEMENT

Throughout the planning process, City staff and the consulting team facilitated robust community engagement through public meetings, surveys, and soliciting comments. The following planning schedule outlines this process:

<b>Enger Park Golf Course Renovation Planning–2021 Public Engagement Schedule</b>			
<b>Date</b>	<b>Activity</b>	<b>Description</b>	<b>Participants</b>
April 26	Public Golf Committee meeting	Enger Park Golf Course renovation project kickoff	16 attendees
April 26-August 11	Public comment available on website	Email, phone, online comment form	10 participants
May 18	Public engagement session	Initial public engagement session to gather input on the renovation	18 attendees
May 18-June 7	Clubhouse amenities survey	Preference ranking for clubhouse amenities	98 responses
June 1	Public engagement session	Public engagement session to gather input on the renovation	7 attendees
June 15	Public Golf Committee meeting	Initial findings presented	5 attendees
June 25-July 5	Public input on course routing options and clubhouse layouts	Concepts available for review and comment at Enger Park Clubhouse	9 responses
June 29	Public engagement session	Gather input on concept plans and narrow focus to final concepts	18 attendees
July 30-July 1	Open House at Enger Park Clubhouse	City staff available to answer questions about concept plans	15 attendees
July 20	Public Golf Committee meeting	Discuss concepts and cost estimates	18 attendees
<b>Meeting Schedule Requesting Review and Recommendation of this Plan</b>			
September 8	Public Golf Committee meeting	Recommendation of final concept to Parks and Recreation Commission	
September 15	Parks and Recreation Commission	Action by Parks and Recreation Commission on the Public Golf Committee's recommendation	





# GOLF COURSE CONCEPTS

The golf course renovation is based on the “Ten Critical Items” listed in the 2018 *Golf Course Architectural Assessment* including:

- 1) Installation of a new, 27-hole irrigation system central control.
- 2) Excavate new irrigation pond with lining and grading of spoils.
- 3) Upgrade irrigation pump station with fill line, power & pump house.
- 4) Install new irrigation system (27-holes).
- 5) Remodel clubhouse (bathrooms, food service, plumbing, etc.).
- 6) Improve fairway drainage and re-grass Back Nine.
- 7) Improve fairway drainage and re-grass Middle Nine.
- 8) Renovate 11 fairway and greenside bunkers on Back Nine.
- 9) Renovate/remove 8 bunkers on Front and Middle Nine.
- 10) Construct new forward tees to improve playability.

These items were included as the guide for renovating the course for whichever course layout option was selected.

Four golf course routing options were examined. Concepts 1, 2, and 4 explored whether the driving range could feasibly move to the north side of Skyline Parkway to accommodate a proposed housing development on the current driving range location. Concept 3 kept the current course routing and driving range in the same location.

Course Layout Analysis Summary				
Concept	Favorable Revenue Projections	Accommodates League Play	Accommodates 9-hole rounds and walkers	Renovation Cost Attainable
Concept 1	×	×		
Concept 2	×	×	×	
Concept 3	×	×	×	×
Concept 4				

## Concept 1

Conceptual routing option 1 relocated the range on the north side of Skyline Parkway to accommodate the proposed land sale for a housing development on the current driving range while maintaining three nine-hole layouts (**Appendix A**). This concept required building six new greens and four new sets of tees to accommodate the new driving range location. In addition, this routing option created a non-returning 9 on the middle course where the 9<sup>th</sup> green was located on the north side of the course, away from the clubhouse. Enger Park Golf Course has a high percentage of golfers who play 9-hole rounds and a high percentage of golfers who walk instead of using a cart. Given the expense associated with building new greens, tees, and a driving range to accommodate the housing development, in addition to non-returning 9's, this option was dismissed.

## Concept 2

Concept 2 located the range on the north side of Skyline Parkway while maintaining three nine-hole layouts (**Appendix B**). This concept required building 11 new greens and nine new sets of tees to accommodate the new driving range location. In addition, the maintenance facility would need to be relocated to the west side of the property to accommodate a new par 3 hole where the maintenance facility is currently located. This option was dismissed due to the extensive costs associated with building new greens, tees, a driving range, and a new and relocated maintenance facility.

## Concept 3

Concept 3 kept the driving range in its current location along with maintaining the current 27-hole course layout (**Appendix C**). This concept included the option to renovate the current driving range, in addition to accommodating league play, 9-hole rounds, and walking rounds. Concept 3 had lower renovation costs because moving greens, tees, and the driving range was unnecessary. Further, public comment supported leaving the course layout unchanged. Concept 3 was identified as the most feasible option for supporting public golf in Duluth.

In addition to the improvements included in Concept 3, the consultant team recommends a set of low-investment, high-return improvements for financial gains, course playability, and improved operation of the facility. These anticipated low-investment, high-return investments include:

- 1) Improving the driving range by expanding the turf tee, adding a synthetic tee line, and target greens
- 2) Expanding the existing putting green or building a new chipping green adjacent to the putting green to accommodate the loss of the current chipping green area due to the driving range tee expansion
- 3) Repairing approximately 5,000 linear feet of cart path in the worst locations
- 4) Building a new green on number 18 if a future parking area on the north side of Skyline Parkway were constructed
- 5) Moving the tees on hole 10 to accommodate a larger area for cart storage and traffic circulation around the new clubhouse

The optional renovation of the driving range to include a larger tee and target greens was not part of the ten Critical Items listed in the 2018 *Golf Course Architectural Assessment*. However, the consulting team strongly recommended this be considered for its ability to generate substantial revenue. The larger tee would accommodate 27 hitting stations, a larger turf tee to allow turf recovery, and synthetic tee line to accommodate range use outside of the growing season in early spring and late fall. Given the increased revenue, the cost of the driving range expansion would be paid for within five years and must be considered as part of the overall course renovations at Enger Park.

Repairing the worst cart paths was also not part of the Critical Items, however it would add to the user experience and enjoyment of the golf course. Although it is not quantified in the annual budget projections, improved cart paths would likely yield a slight increase in revenue through a modest increase in the price of a golf round and overall attractiveness and accessibility of the course.

Constructing 10 new forward tees will change the yardage on those holes and require new signs at the tee complexes. Furthermore, removing 10 bunkers will also adjust the playability of holes for golfers. For these reasons, it is necessary to update the hole information signs throughout the 27-hole course using signs from the City-adopted *Gate, Wayfinding, and Signage Final Design Plan*. In addition, a new course overview map should be installed near the clubhouse and a new sign along Skyline Parkway to identify the golf course. Directional arrows indicating the location of the next hole will also be necessary along some of the cart paths where the next tee is not obvious. These signs will create a refreshed, uniform look throughout the course to inform golfers as they play and align with the City's signage plan (Appendix D).

## Concept 4

Concept 4 retained two nine-hole courses and a six-hole short course with the driving range relocated to the north side of Skyline Parkway (**Appendix E**). The financial implications of reduced revenue and difficulty to accommodate league play and daily play were detrimental to the financial sustainability of the course. This, along with the cost of constructing a new driving range concluded this option not feasible. While early feedback had indicated short course play was a possibly growing market trend, the financial projections combined with impacts to league play quickly ruled out this option. Instead, efforts were focused on retaining three 9-hole layouts.

# CLUBHOUSE CONCEPTS

An analysis of the existing clubhouse by a structural architect indicated poor access to the building through elevated doorways, inaccessible bathrooms in the basement, poor layout and function with disconnected areas, a small kitchen with lack of storage, poor energy efficiency, and water issues in the basement. Therefore, the consultant team looked at two Concept Options for the future clubhouse.

## Clubhouse Concept Options

- 1) A modular structure that can be easily expanded if necessary.
- 2) Conversion of the existing pavilion/garage building into clubhouse space.

Initial analysis of the existing pavilion indicated insufficient size and non-insulated structure without plumbing that would need substantial renovation to function as a clubhouse. Further analysis of the current clubhouse and garage buildings deduced that neither current structure could feasibly sustain clubhouse operations, and the consultant team refocused on replacement of the current clubhouse and retention of the pavilion.

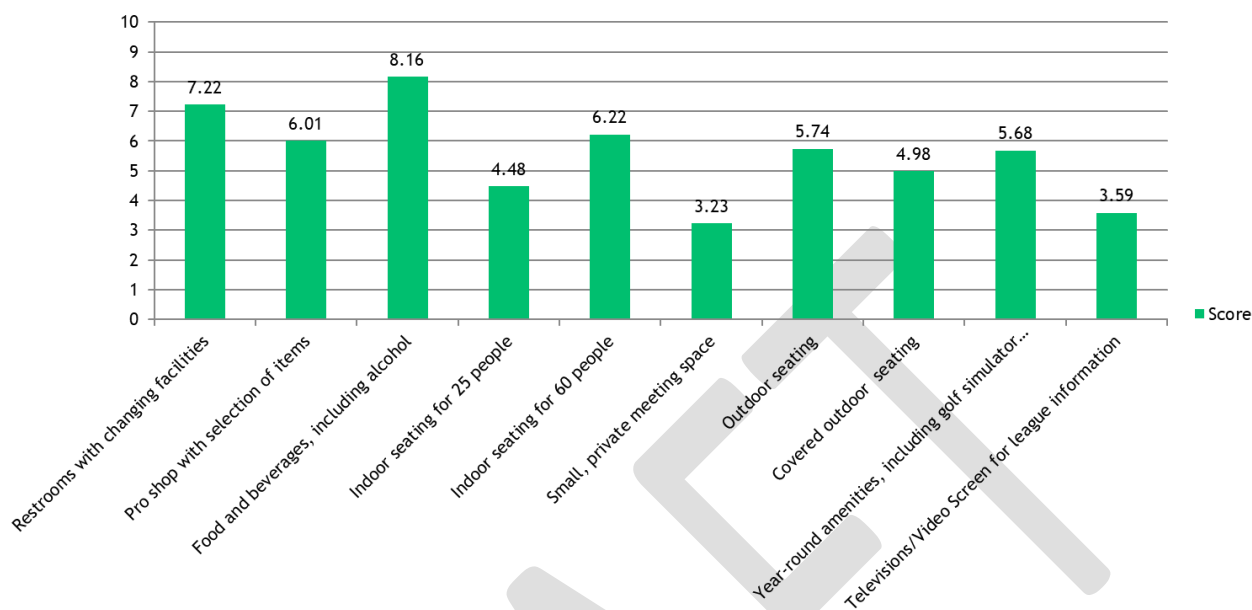
In an effort to gather additional public input and help guide the clubhouse design process, an online survey was created. The survey asked respondents to rank potential amenities they would like to see in the new clubhouse from 1 being the most to 10 being the least preferred amenity. The amenity choices were based upon suggestions from the Public Golf Committee, consultants, and City staff.

The survey was launched at the public engagement session on May 18, 2021 and remained open through June 7, 2021. To encourage participation, access to the survey was promoted through public engagement sessions, Parks and Recreation website and Facebook pages, emails to user groups, and flyers handed out at Enger Park Clubhouse. The survey concluded with 98 responses. The survey responses were tabulated using a weighted average for how high or low each item was ranked among participants (**Appendix F**).

Survey results indicated greatest preference for the following top 5 amenities:

- 1) Food and Beverages, including alcohol
- 2) Restrooms with changing facilities
- 3) Indoor seating for 60 people
- 4) Pro shop with selection of items
- 5) Outdoor seating

From highest to lowest priority, what potential amenities would you like to see in the new clubhouse?



To balance the community engagement responses that identified a set of preferred clubhouse amenities and the operational needs of the golf course, Clubhouse Concept 2 is recommended (**Appendix F**). This concept is approximately 3,000 square feet and includes an ADA accessible building, space to seat 40 people inside, indoor restrooms that also provide space to change, a kitchen serving hot food, beverage services including alcohol, adjacent kitchen storage area, outdoor patio seating space of 3,000 square feet, and area for a pro shop.

Two kitchen options were considered for the clubhouse. The first, a basic version offering cold sandwiches, soups, and roller grill for hot dogs and brats. The second, a complete kitchen with flat top grill, cooking hood, fryer, and grease trap to accommodate hot sandwiches, burgers, brats, hot dogs and french fries comparable to the existing kitchen facility.

There are cost differentials for these two kitchen options that must be considered within the project budget as a whole. The first option may be lower investment, but may yield lower revenue, as well. Likewise, the second option is a greater investment, which opens up greater food service potential and is expected to yield a higher revenue return. Based on public comment and revenue projections, the complete kitchen version is recommended for inclusion in the clubhouse renovation.

Facility	Kitchen Amenities	Estimated Cost in Dollars
New Clubhouse	Basic Kitchen	697,300
New Clubhouse	Full Kitchen	783,550

Clubhouse Concept 2 increases the size of the functional space, when compared to the existing Enger clubhouse, by almost 1,000 square feet. The existing clubhouse is broken into three levels-two that aren't fully utilized and one which houses the course operations. Clubhouse Concept 2 provides an efficient, open layout in one building with full ADA accessibility on one level. The exterior space adjacent to the building includes a drop off area and handicap accessible parking on the south side of the building. An outdoor seating and entertainment space with

permanent tie downs for an awning is located on the west side of the building and the existing pavilion will remain as a special events space accommodating up to 80 people. Seasonal portable toilets will continue to be utilized outside to increase total restroom capacity for busier times and to accommodate events. At least one of these toilets will be handicap accessible.

## Estimated Gathering Space Occupancies

Space	Indoor/Outdoor	Estimated Total Occupancy
Clubhouse Concept 2	Indoor	40
Clubhouse Concept 2 Patio	Outdoor	80
Existing Pavilion <sup>1</sup>	Indoor	80
Existing Pavilion Patio	Outdoor	80

<sup>1</sup> Existing pavilion will remain and be utilized post-renovation

The clubhouse building will be built in sections at an offsite facility in a controlled environment. The building could be expanded in the future if revenue generation warrants an expanded facility for hosting larger indoor events that would require additional seating and restrooms.

## Indoor Golf Simulators

The golf community has expressed a desire for simulators to be installed in the clubhouse for use predominantly though not exclusively during the Winter months. Simulators are not listed as a critical improvement priority in prior plans and were ranked sixth in amenity survey results. While community contributions towards or operator investment in simulators is a possibility, such targeted contributions should be carefully weighed against other critical and prioritized items in this plan.

The revenue projections in **Appendix H** include revenue from two simulators. Further analysis of the number, type, and cost of simulators against estimated on-going use primarily during the off-season is needed and could be included in a future golf course operator RFP.



# IRRIGATION AND WATER SUPPLY

Replacing the failing irrigation system at Enger Park Golf Course was a guiding priority of this renovation planning project. The current system is well beyond its useful life and plagued by constant need for repairs, yielding only partial use of the system. This is compounded by a limited water supply and significantly undersized irrigation water storage pond. Course conditions have suffered due to irrigation inadequacies resulting in decreased play, loss of revenue, and poor golfer experience.

The golf course renovation includes a modern, efficient irrigation system for 27 holes with central control, high density pipe to greatly reduce breaks, and smaller sprinkler heads to reduce water use.

Recommended irrigation system components:

- 1) New irrigation on 27 holes with HDPE pipe
- 2) Computerized irrigation central control
- 3) New irrigation pump station and wet well
- 4) New, relocated pump house
- 5) Expanded irrigation pond
- 6) New smaller pond
- 7) Pond transfer pipes
- 8) Increased City water supply line
- 9) Decreased City water cost rates
- 10) Increased water allocations from the DNR

## Irrigation system

The new 27-hole irrigation system concept plan includes approximately 1,300 sprinkler heads to irrigate the tees, greens, fairways and rough. The concept plan sheet in **Appendix G** shows the sprinkler head layouts on the front and back 9 in order to estimate the number of heads needed for the entire 27 hole course. Typical irrigation concept plans show sprinkler head layouts on three to four holes for estimating quantities. In this case, the front and back 9 were both included for estimates since they differ substantially in turf width.

The proposed system will be comprised of smaller, more efficient sprinkler heads to place water where it is most needed and be connected by high-density polyethylene (HDPE) pipe to greatly reduce pipe breaks. A computerized central control will allow for operation from the field and office to program the irrigation system for the most efficient use of water. As part of the system, a new pump station and wet well will be required to efficiently deliver the water to the sprinkler heads. The new pump station will be relocated to a larger irrigation pond and be comprised of a non-corrosive, sound attenuating composite material that comes fully assembled. This plan includes conceptual estimations and final design work will be needed to finalize the irrigation system layout and sprinkler head placement.

## Irrigation Ponds

To sufficiently supply the irrigation system and maintain quality golf course playing conditions, a larger irrigation pond (3 acre minimum) is recommended for water storage along with a new pump station.

Locating a larger irrigation pond on the course has challenges ranging from drawing water from designated trout streams to keeping course playability relatively easy, and achieving sufficient City water supply. The current irrigation pond on Middle 9, hole 8 would remain in place because it is the only connection to surface water allocations via Buckingham Creek (**Appendix C**). The current pond between Front 9 hole 9 and Middle 9 hole 1 would be enlarged to the north and deepened to increase water storage capacity. A gravity fed pipe would connect the current irrigation pond with the newly enlarged pond. This pond would serve as the primary water storage and irrigation pumping location with a new pump house located on the north side.

In addition, a new smaller pond will likely need to be created between Middle 9 holes 1 and 9 to supplement irrigation storage capacity (**Appendix C**). Soil borings, excavation quantities, permitting, and costs will all be considered before deciding on which combination of options best supports the golf course operations.

## Water Supply

Water supply for the irrigation system will come from a variety of sources as it does currently. However, the quantity of water received from each source will need to be adjusted based on DNR water allocations and City water rates in response to weather patterns and conditions.

An increase in City water usage will be necessary to supplement the limited availability of water from Buckingham Creek and the groundwater wells. This will require a larger, 6 inch, City supply line and meter be installed replacing the existing 2 inch line and meter. With this upgraded pipe, City water could meet all the irrigation needs for the course if necessary, albeit through more costly means than other sources. Currently the golf course is receiving the lowest City water rate of \$0.0024/gallon which equates to \$2,400 per million gallons of water used. If that rate were lowered, irrigating with City water would be a more feasible economic option. It is estimated that, on average, 21 million gallons of water will be needed annually to irrigate the course once the new irrigation system is installed.

## Water Supply Scenarios

Water Source	Current Annual Availability (Million Gallons)	Scenario 1 (Million gallons)	Scenario 2 (Million gallons)	Scenario 3 (Million gallons)	Scenario 4 (Million gallons)
Coffee Creek	0	0	0	0	0
Buckingham Creek	Approx. 3	0	3	3	5
Wells	5	0	5	10*	10*
City Water	Approx. 8	21	13	8	6
<b>Total (Average annual)</b>	<b>16</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Cost in Dollars (Average annual)</b>	<b>N/A</b>	<b>56,308</b>	<b>35,188</b>	<b>21,988*</b>	<b>16,708*</b>

\*Contingent upon a groundwater allocation increase of 5 million gallons per year from the DNR

## COST ESTIMATES

This study phase is limited to Concept Designs, which allow for estimating of costs. Estimates are based on similar projects and recent conversations with contractors and industry experts. Actual prices may increase or decrease depending on the size of the project, contractor mobilization costs, and the time of year. These estimates are higher than the estimates in the 2018 *Golf Course Architectural Assessment* since three years have passed since that report was completed and a 30-35% increase in construction costs have been observed as a result of the Covid-19 pandemic.

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## Cost Estimates

Item	Current Cost Estimate in Dollars
<b>Phase 1a</b>	
Install new irrigation central control	60,000
Expand irrigation pond, install transfer pipe	538,590
New irrigation pump station, slab, wet well, 3-phase power	230,000
New irrigation system on 27 holes-1300 heads, HDPE pipe, wire	2,100,800
Upgrade and extend City water supply line	80,000
Roto-till and regrass fairways to improve drainage prior to irrigation installation: Front 9 holes 2 and 9 <sup>1</sup> ; Middle 9 hole 9; Back 9 holes 1, 2, 5-9	513,500
Final design and permitting (10%)	352,289
Contingency (10%)	352,289
<b>Phase 1A subtotal</b>	<b>4,227,468</b>
<b>Phase 1b</b>	
Clubhouse with full kitchen <sup>2</sup>	New 784,000
Final design and permitting (10%)	78,400
Contingency (10%)	78,400
<b>Phase 1B subtotal</b>	<b>940,800</b>
<b>Phase 2</b>	
Front and Middle 9 bunkers: reconstruct 6 bunkers, remove 8 bunkers <sup>3</sup>	228,016
Back 9 bunkers: reconstruct 11 bunkers, remove 2 bunkers <sup>3</sup>	149,080
Construct new forward tees, 10 tees	72,100
New Signage: 27 tee complexes, course overview map, parking lot, and directional arrows between specific holes	50,000
Final design and permitting (10%)	49,920
Contingency (10%)	49,920
<b>Phase 2 subtotal</b>	<b>599,036</b>
<b>Phase 3</b>	
Reconstruct range turf tee with new irrigation and synthetic teeline <sup>4</sup>	145,310
Reconstruct driving range landing area with new irrigation and target greens <sup>4</sup>	268,500
Install chain link fence on end of driving range <sup>4</sup>	22,000
Repair 11,800 linear feet of cart path <sup>4</sup>	313,600
Reconstruct remaining bunkers	380,000
Final design and permitting (8%)	112,941
Contingency (10%)	112,941
<b>Phase 3 subtotal</b>	<b>1,355,292</b>
<b>Grand total</b>	<b>7,122,596</b>

<sup>1</sup> This estimate includes repairs to Front 9 holes 2 and 9 to address drainage issues prior to installation of new irrigation. The 2018 list of critical repairs did not include drainage repairs or regrassing of holes on the Front 9.

<sup>2</sup> The 2018 list of critical repairs did not include a new clubhouse.

<sup>3</sup> The 2018 list of critical repairs included the renovation of 11 bunkers on the Front and Middle 9 and renovation of 8 bunkers on the Back 9. This estimate includes a total of 27 bunkers so that all bunkers will have liners and the same sand.

<sup>4</sup> The 2018 list of critical repairs did not include cart path improvements or driving range improvements.

# Financial Projections and Funding Sources

## Overview

The financial analysis utilizes the Trailing 12 months as a baseline for the golf revenue categories which include greens fees, cart fees, and annual passes. The model is driven by Average Price per Round (APR) and round counts. The increase in golf play linked to the Covid-19 pandemic will likely subside, however reduction of public golf inventory in Duluth through the closure of Lester Park Golf Course is expected to offset potential declining interest. Furthermore, a renewed Enger Park Golf Course will improve conditions and playability thus making it a more attractive and desirable course for locals and visitors. The following tables summarize the annual revenue sources and totals from the Trailing 12 months of operations, Baseline, and the Post-renovation projections:

Annual Revenue Sources	Estimated Annual Number of Rounds		
	Trailing 12 Months	Baseline	Post-renovation
Daily Fee	26,257	27,000	30,800
Outings and Events	2,579	2,700	2,700
Pass holders	13,260	13,705	12,335

Annual Revenue Totals	Estimated Annual Price per Round in Dollars		
	Trailing 12 Months	Baseline	Post-renovation
Golf	21.09	21.33	23.21
Driving Range	2.60	2.56	3.12
Merchandise	2.80	2.94	2.97
Food and Beverage	1.51	1.52	1.80

## Post-renovation Revenue Estimates

Financial projections for a newly renovated Enger Park Golf Course are based on recommended adjustments to the current operations to increase revenue. First, a greens fee increase of five dollars per round on the rack rate was applied. This is the rate that would be charged without pre-booking a round of golf. The projected number of annual daily fee rounds is projected to increase by 3,800 from Baseline.

Next, the structure of season passes is recommended to adjust from an unlimited play, flat rate to a minimum price per round structure. This recommendation balances extensive season pass holder play with capital improvement costs not captured through that extensive pass holder play. Examples of this pass structure could include establishing a maximum number of rounds that season pass holders play before a capital improvements charge is assessed. Capital improvements charges may range from \$2-\$5 per round. Another possibility includes increasing the overall cost of a season pass or establishing a low minimum price per round that is paid each visit with a season pass. Adjustments to the season pass holder structure are strongly recommended because the current high frequency season pass holders can displace rack rate rounds resulting in net revenue loss. Discontinuation of season passes altogether is not recommended.

Lastly, annual rates set by the golf course operator shall balance financial sustainability of golf course operations with public-friendly rates that promote and encourage the sport of golf.

The projections listed in **Appendix H** show how changes in season pass structure and other financial practices would impact annual revenue and subsequently bonding potential for Enger Park Golf Course renovations. These projections take into account a financially sustainable rate structure and operating model that can adjust to market demands.

## Post-renovation Expense Estimates

Projections are based on increased labor costs to reflect improved course conditions and staffing for simulator usage outside of the golf season. Staffing shortages due to the COVID-19 pandemic created a temporary reduction in labor costs in the Trailing 12-month period used in this report. Therefore, labor expenses representative of 2019 levels were used. The post-renovation expense estimates also include a golf course management fee for the selected operator, increased credit card fees due to increased usage, and a cautious \$30,000 per year for the purchase of City water to supply the irrigation system. Utility expenses are likely to decrease with a new, energy efficient clubhouse. Additional expenses that were reduced include moving from a golf cart lease scenario to purchasing golf carts after the current lease expires.

While this plan is focused primarily on capital improvements, the operation of the course and the golf program are also taken into account. To achieve long-term stability and financial sustainability of Duluth Public Golf, this plan recommends that the City proceed with a competitive RFP process to select the most appropriate course operator of the newly renovated Enger Park Golf Course.

## Funding Sources

The primary funding mechanism for the renovation project will be revenue bonding. Supplemental and phased funding will be needed from other sources to complete all phases of renovation. Other sources of funding may include a combination of proceeds from the sale of land parcels, multi-year sponsorships of course elements, and other community contributions. The revenue bonding available for this project is capped at \$4 million over 20 years. Thus, at time of plan approval, a complete funding package sufficient to accomplish all phases of renovation is not yet secured.

The City continues to identify parcels of land at the golf courses that will support the Imagine Duluth 2035 housing development objectives and the financing of the Enger Park Golf Course renovation process. As prior Council-approved documents have indicated, 100 percent of the appraised value of any parcel sales at either golf course shall be dedicated to Enger Park Golf Course renovations. Final sale price shall be determined by an independent, third party appraisal of the property. The timeline of proposing land for sale, followed by negotiation of development will mean that land sale proceeds cannot be immediately factored into a Phase 1 renovation plan. Instead, land sale proceeds will be considered supplemental funding that will contribute to future Enger Golf Course renovation phases.

Another funding mechanism discussed by members of the Public Golf Committee and further reviewed by City staff is the potential for on-course sponsorships. Multi-year sponsorships of the driving range, clubhouse, Front, Middle, and Back 9's are recommended to maximize mutual benefit and reduce administrative burdens associated with short-term sponsorships. City staff will develop and implement sponsorship policy in alignment



with other associated City policies and procedures. As a non-binding example of long-term sponsorships: five sponsorships of \$20,000 per year over a ten year contract would yield \$1 million in revenue for the course. Short-term, small scale and individual hole sponsors are not recommended as these would create administrative burdens that stand to outweigh the relatively small yield of funding. Naming rights to the golf course itself are not recommended and the golf course name will remain *Enger Park Golf Course*.

The timespan for completion of all phases of this plan will likely extend over multiple years, in which time other new or different funding sources may come available. Including, but not limited to investment from a golf course operator, grant funding, etc. As of completion of this plan, the City acknowledges the current gap that still exists to realize the multi-phase renovation plan and will continue to explore sources of revenue that support the improvements included in this plan.

# RECOMMENDATIONS

Based on the findings in this report and feedback from the public, the Parks and Recreation Commission's Public Golf Committee, City staff, and the consulting team the following phased approach to renovations of Enger Park Golf Course is recommended:

## Phase 1a: Critical Irrigation Improvements

The proposed Phase 1a improvements will focus on replacing all components of the irrigation system and an expanded irrigation pond. These items are critical to maintaining quality turfgrass and acceptable course conditions. A portion of Phase 1a will include improving the drainage and playability of the worst fairways by regrading and regressing 10 fairways. The regrading of fairways needs to occur prior to installing a new irrigation system to avoid disturbing the soil on multiple occurrences and ensure the new sprinkler heads are level.

### Anticipated Timeline for Phase 1a

Date	Activity
September 2021	Plan approval. Commence final design work
December 2021-January 2022	Construction bidding for Phase 1
September 2022	Begin construction under partial course closure
Spring/Summer 2023	Full course closure for construction
May 2024	Course partially reopen for play
June 2024	Course fully reopen for play

## Phase 1b: Clubhouse Replacement

Phase 1b will address the clubhouse by replacing it with a new, accessible facility with a full kitchen. The timeline for Phase 1b is contingent upon funding availability. To best position the course for optimal operations following Phase 1a, it is recommended that additional funding be secured to proceed with Phase 1b concurrently.

## Phase 2: Critical Golf Course Renovations

Phase 2 will focus on addressing the additional critical items such as renovating bunkers to improve course playability and aesthetics while reducing maintenance costs. Constructing 10 forward tees is also included in this phase to improve course playability and attract golfers of varying abilities. Course signage was added to this phase to accurately depict the layout of each hole based on bunkers that are removed and forward tees that are added.

## Phase 3: Driving Range and Course Playability Improvements

Phase 3 will include improvements to the driving range such as an expanded tee with synthetic tee line, target greens, new irrigation, and a fence at the end of the range. Additional potential items in this phase include cart path repairs and renovating the remaining bunkers that were not completed in Phase 2.

## APPENDIX A

Concept 1

## APPENDIX B

Concept 2

## APPENDIX C

Concept 3

Color Renovation Plan

## APPENDIX D

Entrance Signage Examples

Signage Examples

Hole Signage Examples

## APPENDIX E

Concept 4

## APPENDIX F

Clubhouse amenities poll results and comments

Clubhouse concept drawing

## APPENDIX G

Sprinkler head layout

## APPENDIX H

Revised projections spreadsheet

## APPENDIX I

Public comments, and email comments